

Pacific University CommonKnowledge

Volume 11 (2011)

Interface: The Journal of Education, Community
and Values

9-28-2011

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Recommended Citation

Barlow, J. (2011). Dan Breznitz and Michael Murphree, Run of the Red Queen. In J. Barlow (ed.). *Interface: The Journal of Education, Community and Values* (vol. 11. pp . 129-136). Forest Grove, OR: The Berglund Center for Internet Studies. (Original work published online 2011).

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Dan Breznitz and Michael Murphree, Run of the Red Queen

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**Dan Breznitz and Michael Murphree, *Run of the Red Queen*
Government, Innovation, Globalization and Economic Growth in
*China. New Haven: Yale University Press, 2011***

Review by Jeffrey Barlow

At the Berglund Center we have long been interested in the relationship between the impact of the Internet and economic development.¹ While there is no doubt that there is a relationship between these two factors, its precise nature is difficult to quantify.

Some argue, for example, that economic development is largely a unified process regardless of time or location, and that positive changes in productivity, investment, and other econometric factors will inevitably facilitate development.² Others believe, however, that local culture remains the critical factor in development and that if there is a mismatch between culture and informational technology (IT), development will not necessarily occur regardless of econometric improvements.³

One of the important questions in understanding contemporary political and economic development is the extent to which the Chinese model provides a useful example for other emerging economies, or perhaps even for highly developed ones. The question of particularistic cultural issues vs. a universal process is especially salient as cultural differences are inherent to such comparisons.

Some argue that China's development is inherently limited because it does not follow the Western model. China can take advantage of low cost labor, manipulate its currency, and otherwise scramble up the ladder of development. But the ultimate success of any model depends in this formulation on its ability to innovate.⁴ Lacking the ability to lead in innovative technology, Chinese success will remain simply duplicative; it copies others and fundamentally relies

¹ Among our reviews and discussions of this issue in Interface see: Berger, Suzanne and Richard K. Lester (eds.) Global Taiwan: Building Competitive Strengths in a New International Economy. New York: M.E. Sharpe, 2005. <http://bcis.pacificu.edu/journal/article.php?id=233>

² For this perspective see: Robert D and Andrew S. McKay. Digital Prosperity: Understanding the Economic Benefits of the Information Technology Revolution. The Information Technology & Innovation Foundation. <http://bcis.pacificu.edu/journal/article.php?id=201>

³ See: Kenny, Charles. Overselling the Web? Development and the Internet. London: Lynne Rienner Publishers at: <http://bcis.pacificu.edu/journal/article.php?id=201> and Payal Arora. Dot Com Mantra. Social Computing in the Central Himalayas. <http://bcis.pacificu.edu/journal/article.php?id=739>.

⁴ Breznitz and Murphree, 2.

upon temporary advantages presented by its particular mix of labor and other resources. These facts being, true, then, China will never reach the top rung. In short, because of its failure to foster innovation, other economies have little to learn from it.

Breznitz and Murphree take quite a different perspective. Both are academics at the Sam Nunn School of International Affairs at the Georgia Institute of Technology. Breznitz is the author of a significant previous work, *Innovation and the State*.⁵ The two argue that the global reorganization of production and services consequent to the development of the Internet and digital communications has given rise to new means of creating value, and that China excels in these.

The two believe that in the post-Internet era, innovation per se is much less important than it once was, and chain production processes make the Chinese economy fully sustainable in both the immediate and long run. China in essence quickly capitalizes upon the technological advances of others and maintains its productive forces just behind the cutting edge of technology. Hence the metaphor, the “Run of the Red Queen,” a term for an economy which must, like the Queen in *Alice in Wonderland*, run as fast as she can just to keep up.

One of China’s strengths in this particular process is the presence of a number of distinctive economic regions, each with varying economic policies and resources, which are deployed in an unending quest for local advantages. Some particular industries or production processes will fail to develop in some localities, but profiting from a different mix of policies and resources will succeed in others.

Neither is this model dependent upon the development of entire industries as such, but often succeeds by occupying a niche in a widely distributed production chain. China does not need to produce automobiles, for example, but simply to become the most efficient producer in supplying particular parts and processes contributing to the final product.

Moreover, from a theoretical perspective, this approach is quite different from previous models such as that of Taiwan, Korea or Singapore, often termed the “fast follower model.” China brings to bear additional advantages such as a rapidly developing local consumer market, a very successful export process and quick access to foreign investment capital, as well as access to new technologies.

As the authors point out, there are important elements of paradox in this Chinese success story. The national government, for example, continues to

⁵ See citations and references at: http://scholar.google.com/scholar?q=breznitz+innovation+state&hl=en&as_sdt=0&as_vis=1&oi=scholar

emphasize in its policies the importance of research and innovation. But it is in the local areas that the model has proven successful.

The central approach of the authors is to study three different regions and their IT industries. These are Beijing, Shanghai, and the Pearl River Delta centered upon Shenzhen. The authors argue that “these regional systems combine to form a unique, de facto *national* innovation system and that without understanding this system and how it interacts with the regional system, we will fail to understand China.”⁶

The authors’ careful analysis of each region, supported by both a sound understanding of previous research and by many interviews with critical actors, is persuasive. In the case of the IT firms of Beijing, for example, the central problem is the lack of capital investment for start-ups. The central government privileges well established and particularly state-owned firms, and hence central banking policies tend to allocate capital to such firms. But the Beijing municipality or local government has created a number of devices for easing the access to developmental capital to local start-ups, many of which have proven successful.⁷

Shanghai, unlike Beijing, has a plentiful supply of cheap labor.⁸ Its local government accordingly privileges foreign investment (Taiwanese investment would be included here), which takes advantage of that cheap labor for production. The Shanghai government offers a rich mix of financial and organizational incentives to attract both foreign R&D and capital. This gives Shanghai a distinctive profile of being directly influenced and guided by local policy and central planning which tends to favor state-owned and well-established firms, unlike Beijing. These firms are, however, like Shanghai itself, conspicuously successful.

The Shanghai model, while quite different from that of Beijing, is highly complementary. It would not be unusual, for example, for a firm to begin in Beijing with its foundation in the highly developed local educational institutions with their rich intellectual resources, then outsource actual manufacturing to Shanghai with its strong support for such industries.

The Pearl River Delta (Shenzhen principally) is often thought of both in China and abroad, as China’s sweatshop. However, it also hosts several of leading Chinese IT innovators, including Huawei, ZTE and Tencent (QQ).⁹ The PRD firms do prize innovation, but in a very incremental and measured fashion which

⁶ 8.

⁷ 119-125.

⁸ For Shanghai analysis see Chapter 4.

⁹ For the PRD see Chapter 5.

might well be taken to be beneath the threshold of the usual meaning of the term.

Nonetheless, this careful process has developed a number of significant firms, which effectively integrate all stages of the production process from R&D through to final export. Because it is the individual firms that undertake these initiatives, the IT industry of the Pearl River Delta is collectively very nimble and market oriented. It tends to be both isolated from political power and focused equally on domestic and foreign markets.

This Chinese system, as successful as it is—it has, after all, contributed to the longest and most successful run of economic development of any human society—is not without its hazards. The central government can often be a negative factor as it responds to political or economic pressures or attempts to model upon inappropriate foreign models, as in its ongoing attempt to produce a Chinese equivalent of Microsoft or Silicon Valley.¹⁰

The work is primarily intended for an academic audience, but it has found a much wider readership (it has been very well reviewed in the business periodical press) in large part because, although sometimes fairly technical, it is written in a clear prose with a minimum of econometric data. The notes and references are voluminous, permitting the reader to access markedly different perspectives or better understand the literature, which has contributed to the authors' conclusions.

Run of the Red Queen makes, we think, many important contributions to furthering our understanding of IT and the impact of the Internet, our understanding of economic development, and our understanding of China. It should be read by anybody wishing to better understand these topics.

¹⁰ For shortcomings of the model see 197-98.

Daniel Henrich's Internet Evangelism in the 21st Century

Jeffrey Barlow

An Editorial Review

This is a relatively old book intended to introduce highly evangelical Christians to the use of the web as a tool for proselytism. We review it less as a book to be read by others, though it may indeed be useful to some, than for what it tells us about religion on the web.

Religion and the WWW is not a new topic for us.¹ One of our most popular book reviews---as indicated by the fact that the traffic crashed our server when it was "digged" shortly after we posted it--- was Peter D. Hershock's work, *Reinventing the Wheel: A Buddhist Response to the Information Age*.²

We cannot recommend this book for a wide audience simply because it is deliberately intended for a rather narrow one: Christian evangelicals who wish to learn to use the web to proselytize. The book came out of a 2005 conference, "Internet Evangelism for the 21st Century" at Liberty University in Lynchburg, Virginia on web evangelism. The book incorporates, fairly directly, the transcripts of 21 workshops held at the conference and presented by well-known Internet evangelists.

The book is edited by Henrich, though it might be considered to have been written by him more than edited; he is clearly the guiding light among the Internet evangelists. He has a great deal of experience as a consultant as well as a practitioner, apparently largely within college environments.

The audience for the conference was primarily evangelical Christians, whom many might consider to be among the most conservative of Americans. The blend of traditional protestant religious approaches and references to the WWW is very interesting. The book is a fascinating one because it is evident that this conference indicated a sort of turning point for many evangelicals, perhaps the first time they were exposed to practitioners who had successfully used the Web. As the transcripts show, many participants had a certain amount of resistance to the idea of electronic evangelism. Evangelism, especially in these particular

¹ Fair disclosure: If asked (usually while teaching in China) what my religious beliefs might be, I reply that I am a Christian or a Buddhist on alternate days. I have occasionally subbed for the ministers in my local United Methodist church and attended Buddhist rites in China, Taiwan, Japan, and Vietnam as well as in the U.S.

² See the latter half of a review article which leads off with a work irrelevant to this discussion at: <http://bcis.pacificu.edu/journal/article.php?id=185>

churches, has long been extremely personal and very face-to-face in its approach³. Growing up in Southern Illinois, in a largely rural area, I was exposed to many touring tent evangelists and always found, regardless of how I felt about any particular theological message, that the preachers had a very sharp understanding of their audience which depended on their ability to quickly “read” participants in a brief personal meeting.

The big tent message seemed to me to serve primarily to permit the preachers to identify audience members who might be further cultivated, for religious purposes, of course. It would have been impossible for me to imagine at the time that anything resembling the World Wide Web might one day be viewed by such preachers as a useful tool.

The churches at that time (1950’s) tended not to make a very good use of even film. Touring religious films were not unusual, but often had very low production values featuring biblical spectacles, such as the flood, the mass drowning of pursuing Egyptians, or the destruction of Sodom. The newspapers ads, as often as not, featured Eve en route to the Fall, her offending bits artfully concealed by fig leaves, apples, or a serpent.

These films were what Hollywood disparagingly called, “Four Wallers for the Goon Trade,” meaning films which were distributed through an area almost simultaneously and for which tickets were often sold to church groups.⁴ A recent much more sophisticated---and highly successful--- example of a religious film, of course, was Mel Gibson’s “The Passion of the Christ.”⁵

The primary media tool of evangelicals in the U.S. was first the radio, at which many were adept. A common approach was to blend American folk music, not always of the religious sort, with their messages. Later, of course, evangelicals took with equal success and fervor to Television.

³ For a useful discussion of McLuhan’s distinction pertinent to this piece, see *Bob’s Blog* at <http://bobington.blogspot.com/2007/02/hot-and-cold-media.html>

⁴ In 1979 a very successful film, “The Jesus Film,” was very effectively used, particularly in evangelizing abroad. Some credit this single film for most of the conversions made in the developing world since that date. See the project site at: <http://www.jesusfilm.org/>

⁵ There is a very thorough Wikipedia article on this film found at: http://en.wikipedia.org/wiki/The_Passion_of_the_Christ As it is largely about the making of the film and the controversies around it, it may be of limited utility for many readers. We have to hope that such details as the statement that the assistant director was twice struck by lightning while filming in Italy are both true and irrelevant in a theological sense.

When compared to either radio or television, however, the Internet seems a much “colder” medium.⁶ Too, as the Internet has developed, it has come with a great deal of baggage, including pornography and other content which the fundamentalist Christians view as extremely degraded and sinful. The impact of such content on Christian youth is a particular concern, of course.

For evangelicals to even consider going onto the WWW then, is a really remarkable development which runs counter to their traditions of face-to-face proselytizing as well as requiring the use of what is sometimes thought of as Satan’s sharpest new tool.⁷

As the book makes clear, however, the evangelical churches, like the older “mainline” denominations were, at the time of the conference in 1995, suffering substantial losses in memberships. This was particularly true among younger Christians, and overall the number of un-churched Americans was growing very rapidly.

This problem was most usually presented in the work as a sort of cultural gap; the Boomer generation making up most congregations were beginning to encounter Gen-X youth who were much less interested in formal church membership than they were interested in the Internet.

It seems from the presenters at the conference that the use of the Internet for evangelizing began on college campuses, particularly with the Campus Crusade for Christ. It has frequently been the case in American history that progressive religious movements have begun on campuses. These college congregations produced a number of electronic evangelists, who then worked into more established organizations, such as the Billy Graham Crusade, from which several of the presenters also came.

On balance, the book represents many of the most notable practitioners of digital evangelism and serves as a very useful introduction to the important issues facing them. Again we can see the widespread impact of the Internet on a niche audience.

⁶ For a useful discussion of McLuhan’s distinction between hot and cold media pertinent to this piece, see *Bob’s Blog* at <http://bobington.blogspot.com/2007/02/hot-and-cold-media.html>

⁷ See a discussion to this point on “My Digital Life” at: http://www.mydigitallife.co.za/index.php?option=com_myblog&show=2331&Itemid=29. Clearly this is sometimes tongue in cheek though the original posting seems sincere.

Many of the conference panels were addressed to very basic issues such as how to optimize page views, effectively use Google key words, developing podcasts (“Godcasts”), religiously themed blogs, chat rooms and other media formats. The speakers are, in some cases, confrontational with the local audience as they try to overcome established evangelical opinions, which they frankly challenge as prejudicial ones.

There is certainly a pronounced preacherly or evangelical style to the discussions. A common opening to the pieces, which are as much transcripts of an oral event as prepared papers, is a confessional one. Here the presenter offers up his or her past evil behavior, relates seemingly miraculous cures, and other tropes of American evangelical Protestantism. There are very few female voices, and seemingly no Catholic ones. But among the group are very sophisticated techies, some of whom are quite familiar with very advanced forms of digital communications, and all of whom are highly committed both to their digital congregations and to their shared religious views.

Who should read this book? Anyone interested in maximizing their electronic audiences for their web pages or other digital media would find many of the examples utilized here very useful, though there may be many culturally more comfortable ways of securing the same information on the web or through mainstream publications. Other audiences may find the tone and content of the book off-putting. But it is fascinating to see the impact of the Web upon that old time religion, and eye opening to see the great technical sophistication as well as the high level of tolerance of these electronic evangelicals.